

CSCL / CMA CGM CROSS SLOT CHARTER AGREEMENT
A SPACE CHARTER AGREEMENT

FMC Agreement No. 011892

Effective Date: January 24, 2005

Commencement Date: January 27, 2005

Expiration Date: January 27, 2007 (unless terminated earlier pursuant to Article 7)



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CSCL / CMA CGM CROSS SLOT CHARTER AGREEMENT

WHEREAS: CSCL operates a general container service known as the "ANW Service," and;

WHEREAS: CMA CGM operates a general container service known as the "PEX 2 Service," and;

WHEREAS: Both parties wish to utilize part of the other Party's carrying capacity in order to carry their cargoes in containers;

NOW THEREFORE, the parties hereto have agreed as follows:

1. Parties

The parties to this Agreement are:

(1)

CHINA SHIPPING CONTAINER LINES CO., LTD.

Room A, B, C, D, Floor 27
No. 450 Fu Shan Road, Pu Dong New Area
Shanghai, China

CHINA SHIPPING CONTAINER LINES (HONG KONG) CO., LTD

69/F, The Center
99 Queen's Road Central
Central Hong Kong, China

China Shipping Container Lines Co., Ltd. and China Shipping Container Lines (Hong Kong) Co., Ltd. shall be treated as a single party hereunder and shall be referred to collectively as "CSCL".

China Shipping Container Lines Co., Ltd. and China Shipping Container Lines (Hong Kong) Co., Ltd. shall be jointly and severally responsible for the performance of each of their obligations under this Agreement (or any agreements entered into pursuant hereto) and for any and all damages arising out of or resulting from any breach of this Agreement or such other agreements by either of them.

and

(2)

CMA CGM, S.A. ("CMA CGM")

4, Quai D'Arenc
13002 Marseilles
France

2. Definitions:

- "Agreement" means this CSCL / CMA CGM Cross Slot Charter Agreement.
- "Container(s)" means any ISO standard container(s) with a maximum height of 8'6" including any reefer and/or other special containers, provided they meet ISO standards. For the purpose of this Agreement, one FEU shall be equal to 2 TEUs.
- "Loading Party" means the Party on whose Vessels (owned and/or operated) the Containers are loaded.
- "Party" means either CSCL or CMA CGM.
- "Shipping Party" means the Party who is shipping Containers on the other Party's Vessels.
- Slot" means the space occupied by 1 x 20' x 8' x 8'6" ISO container for the predetermined maximum average gross weight.
- "String(s)" means the CSCL and CMA CGM strings described in Sections 8(a) and 8(b) hereof.
- "Vessel(s)" means a vessel employed in a String by CSCL or CMA CGM.

3. Undertaking and Purpose

Subject to the terms and conditions hereinafter set forth, CSCL and CMA CGM each agrees to charter to the other Slots on their Vessels employed in the Strings for the carriage of Containers of the volume and on the terms hereinafter further defined. This Agreement also authorizes the Parties to charter additional slots to each other on their Vessels employed in the Strings on terms and conditions as the Parties may agree from time to time.

4. Scope of the Agreement

This Agreement covers the trades between agreed ports in China (including Hong Kong) and South Korea, and coastal and inland points served via such ports, on the one hand, and (1) in relation to String 1, agreed port(s) of the US Gulf Coast, Jamaica, Mexico and Panama, and (2) in relation to String 2, agreed ports of the US West Coast and Canada, and inland and coastal points served via such ports, on the other hand. This Agreement shall also cover transshipment cargo moving via ports in the aforementioned countries from other origins and/or to other destinations. This Agreement also covers the trades between ports in China (including Hong Kong) and South Korea, on the one hand, and (1) in relation to String 1, Jamaica, Mexico and Panama, and (2) in relation to String 2, Canada; provided that the inclusion of non-U.S. trades in this Agreement

shall not bring such non-U.S. trades under the jurisdiction of the U.S. Federal Maritime Commission.

5. Containers and Cargo

The Shipping Party will be allowed to ship only dry-cargo Containers, reefers and empty Containers meeting the definition mentioned in Clause 2 hereof. Loaded Containers shall be in a seaworthy condition, containing lawful merchandise of any kind, including IMO cargo, properly packed and secured. Containers not meeting the above criteria may be refused for carriage. Notwithstanding the above, explosives and radioactive material shall not be accepted by the Loading Party.

6. Schedules

Each Party operates a service with a weekly frequency to all ports, in principle.

Each Party shall be allowed to utilize Slots available on each other's Vessels according to their respective schedules and schedule arrangements as informed to each other prior to the start of this Agreement.

Either Party may permanently change the schedule, ports of call, rotation and/or Vessels for its String at any time, at its sole discretion (provided this change does not materially change its service, in which case Clause 13 shall apply) by giving the other Party at least 10 days prior written notice of such change. The other Party has in such case the right to revise the Slot commitment taking into consideration the allocation/performance within the affected ports.

7. Term of the Agreement

This Agreement shall commence upon the arrival of first loading port of the first voyage on around 24th Jan 2005, subject to its effectiveness under the Shipping Act of 1984, (the "Commencement Date") and, subject to clause 13 herein, it shall remain in force for a two years period after the Commencement Date unless either Party decide to terminate this Agreement at any time by giving six months prior written notice of termination to the other Party hereto.

8. Slot Commitment / Slot Exchange

(a) The round voyage allocation for CSCL on CMA CGM Vessels shall be:

<u>String 1</u>	<u>Weekly Allocation</u>
PEX 2	162 TEUs

In exchange,

- (b) The round voyage allocation for CMA CGM on CSCL Vessels shall be:

<u>String 2</u>	<u>Weekly Allocation</u>
ANW	300 TEUs

- (c) The slot reservations / cargo commitments set forth in Clauses 8(a) and 8(b) above may be adjusted from time to time by mutual agreement of the Parties in an aggregate amount up to 20% without amendment to this Agreement.
- (d) Either Party may seek to purchase slots in addition to those exchanged as set forth above from time to time, subject to space availability, market conditions, etc.
- (e) The maximum average GWT per TEU slot allocated shall not exceed 10 tons in each direction. However, in case allocated quantities (TEU or Weight) are exceeded, this shall be subject to payment of excess slots at a rate to be agreed by the Parties
- (f) Acceptance of IMO and out of gauge cargo and/or special equipment must be given by the Loading Party prior to booking for each such shipment. For all Strings, each 40' High Cube shall be counted as 2.3 TEUs and 45' High Cubes shall be counted as 2.6 TEUs.
- (g) Each Party shall have the right to load on each String with reefer Containers within the number to be agreed between the parties, subject to provision of necessary reefer kits on board the other Party' s vessel, unless agreed otherwise. The Parties may agree on the amount of any additional charge to be applied to the carriage of reefer Containers.
- (h) Any failure by any Party to provide the other Party with the committed allocation on a specific voyage / week will entitle the other Party to cancel the exchange for the respective week and therefore abstain from providing this Party with an allocation on the corresponding voyage, unless otherwise mutually agreed by the parties.
- (i) If, for any reason, either Party is unable to provide the space specified above for Containers actually booked by the other Party, then such defaulting Party will provide required space on the subsequent sailing, in addition to the normal allocation, and reimburse the other Party for any storage incurred.
- (j) Allocated capacity unused by the Shipping Party may be used freely by the Loading Party on board its vessel. However any such capacity shall be made available to the Shipping Party when required.

- (k) The Shipping Party shall not be allowed to sub-charter Slots allocated to it to Third Party Shipping Lines unless
- with the prior written consent of the Loading Party or;
 - such Slots are provided to 100% affiliated companies of the Shipping Party with the prior written consent of the Loading Party, which shall not be unreasonably withheld.

9. Booking Procedure

Each Party will book its requirements with the other Party's booking centers as may be designated from time to time. In all instances, delivery closing dates, booking and documentation procedures of each Party shall be adhered to.

10. Delivery of Containers and Terminal Operations

The shipments of Containers under this Agreement shall be on FIO terms. Delivery of the Containers and acceptance thereof shall be deemed to occur when the Containers are loaded on board and redelivery and acceptance of the Containers shall be deemed to occur once discharge operation of each Container commences. The Shipping Party shall be directly responsible for all payments relating to its Containers to the stevedores, terminals and the port, if any, including royalties and assessments in USA ports, and they shall be independently debited for all such operations, and shall settle all payments independently and separately from the Loading Party.

Therefore, each Party shall, prior to commencement of this Agreement, reach separate agreements independent of the other Party with all of the other Party's stevedores and terminals within the scope of the Agreement. However, in ports where, because of local regulations and/or customs of the port, direct settlements as described above are not possible, the Loading Party shall debit the Shipping Party for all such payments and the Shipping Party shall settle such payments either through its local agent or, if such payments are not immediately settled, then these payments shall be made together with the payments mentioned in Clause 11 hereunder.

11. Slot Costs

The Parties shall agree on the amounts they shall charge one another for the carriage of loaded and empty Containers in addition to capacities exchanged, and may adjust said amounts as they may agree from time to time. The Parties shall also agree on the terms on which such amounts shall be paid to one another.

12. Information, Documentation and Liability

- (a) The Parties may exchange information necessary for the day to day implementation of this Agreement and discuss and develop operating procedures

covering routine matters such as liabilities, indemnifications, financial arrangements, security requirements and other operational / administrative issues to implement the terms thereof. All decisions require agreement by both Parties. Pursuant to 46 C.F.R. § 535.407, any further agreement between the Parties, other than those concerning routine operational and administrative matters will not be implemented unless such agreement has been filed and become effective under the Shipping Act of 1984, as amended.

- (b) The Parties shall agree on the terms of issuance of documentation for cargo moving hereunder, the terms and conditions contained in that documentation and the procedures to be followed with respect to the issuance and processing of such documentation. The Parties are also authorized to agree on their respective liabilities with respect to damage to cargo (including general average) and/or equipment and the procedures to be followed in handling claims for such damages.
- (c) Each Party shall be responsible for insurance for its Vessels.

13. Force Maieure and Termination

- (a) If force majeure circumstances arise, such as war or warlike activities, civil commotion, riots, invasion, rebellion, hostilities, governmental and/or national regulations, boycott against one flag or a political ban against any party, strikes, restraints of Princes and Rulers or any other cause of a like nature the consequences of which have not been or could not have been considered and which are of a nature considerably influencing the terms of this Agreement, the Parties shall, as far as possible, advise each other within 48 hours of such circumstances and adjust the terms of this Agreement to the changed circumstances.
- (b) Notwithstanding Clause 7 herein, if at any time during the implementation of the Agreement there shall be a change in the control or a material change in the ownership of any one Party (the Party so affected being referred to in this sub-clause only as the Affected Party) then:
 - If the other Party is of the opinion arrived at in good faith that such change is likely to materially prejudice the cohesion or viability of the Service, then this Party shall be entitled to terminate the present Agreement on 3 month prior written notice which notice must be given within 3 months of such Party being advised in writing of the change of ownership.
- (c) Notwithstanding Clause 7 herein, if at any time during the term of the Agreement any Party should become bankrupt or declares insolvency or have a receiving order made against it, suspend payments, or continue its business under a receiver for the benefit of any of its creditors, or if a petition is presented or a meeting convened for the purpose of considering a resolution, or other steps are taken, for the winding-up of the Party (otherwise than for the purposes of and followed by a

resolution previously approved in writing by the other Party), or any event similar to any of the above shall occur under the laws of the Party's country of incorporation (the Party so affected being referred to in this sub-clause only as the Affected Party) then the other Party may terminate the Agreement with immediate effect.

- (d) CSCL and/ or CMA CGM may, at their absolute discretion, discontinue their services or materially alter their route, scheduling and ports of call (which shall be considered a termination of the existing service). In that case, the Party discontinuing or materially altering its service shall, in principle, give not less than 90 days prior notice of termination or notice of alteration to the other Party hereto. In the event that a material alteration of the service is notified and/or implemented, then the Party receiving such notice or otherwise affected by such material alteration shall be entitled to terminate the Agreement with effect the date the schedule of the other Party is altered, and this Agreement shall terminate with regard to the service affected on the date of the expiry of the notice to this extent.
- (e) Notwithstanding any other provision of this Agreement, the obligations of the Parties pursuant to this Agreement shall remain in force until each Vessel operated pursuant to this Agreement shall have completed discharging at the last port on the last leg of her final complete voyage which commenced prior to termination, and all accounts between the Parties under this Agreement have been settled.

14. Applicable Law and Arbitration

- (a) This Agreement shall be governed by and interpreted in accordance with the laws of England for the time being in force, provided however that nothing herein shall relieve the Parties of their obligation to comply with the U.S. Shipping Act of 1984, as amended.
- (b) Any dispute, claim or violation which may arise under this Agreement shall be settled by arbitration in London, following the London Maritime Arbitrators Association (L.M.A.A) terms, and in subject to the laws of England including the UK Arbitration Act of 1996 or any statutory modification or reenactment thereof for the time being in force.
- (c) Notwithstanding the afore-mentioned, for disputes the sum of which does not exceed the amount of US\$ 100,000, either Party shall be entitled to proceed by arbitration to be held in London according to the London Maritime Arbitrators Association Small Claims Procedures.
- (d) Notwithstanding the afore-mentioned, for disputes the sum of which does not exceed the amount of US\$ 500,000, either Party shall be entitled to proceed by

arbitration to be held in London according to the London Maritime Arbitrators Association Fast and Low Cost Arbitration (FALCA) Rules.

15. Notices

- (a) All notices and other formal communications under this Agreement shall be in writing and shall be deemed given when (a) delivered by hand, (b) transmitted by telecopier (assuming clear transmission), or (c) upon receipt if sent by Express Mail, Federal Express or other express delivery service, or registered or certified mail, return receipt requested, delivered to the addressee at the following addresses or telecopier numbers:

If to CSCL:

China Shipping Container Lines Co., Ltd.
Room A, B, C, D, Floor 27
No. 450 Fu Shan Road, Pu Dong New Area
Shanghai, China
Attn.: Mr. Shen Yi Ping
Phone: 021-65966268
Fax: 021-165966538
E-mail: shenyp@cnsheping.com

If to CMA CGM:

CMA CGM S.A.
4, Quai D'Arenc
13002 Marseilles
France
Attn.: Mr Jean Philippe Thenoz / Mr Alain Schmid
Phone: 33 4 88 91 88 44 / 33 4 88 91 88 22
Fax: 33 4 88 91 89 96
E-mail: ho.ipthenoz@cma-cgm.com
ho.aschmid@cma-cgm.com

16. Non-Assignment

Neither Party shall assign its rights, including its rights to utilize the Container Slots, or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other Party hereto.

17. Amendment and Embodiment

This Agreement may not be amended, modified or rescinded except in writing and duly signed by authorized signatories of the Parties, and any amendment, addendum or appendix so signed shall constitute a part of this Agreement.

18. Further Agreements

The Parties are authorized to enter into further agreements with respect to routine operational and administrative matters to the extent necessary or desirable to implement the general provisions contained in this Agreement (including, but not limited to, that set forth in Clauses 11 and 12 hereof) without further amendment to this Agreement. Any further agreement contemplated by this Agreement, except to the extent such further agreement relates to routine operational and administrative matters, shall be filed with the U.S. Federal Maritime Commission and shall become effective in accordance with the Shipping Act of 1984 prior to being implemented.

19. Dry Dock

(a) Notice to Shipping Party

The Loading Party shall give two months' prior written notice to the Shipping Party of its intention to dry dock a Vessel. Said notice shall state how the overall schedules are to be adjusted, the place where the Vessel is to be dry docked, the estimated duration of the dry dock. The Loading Party shall keep the Shipping Party fully and promptly advised of any change in the foregoing information.

In case dry dock is required due to an unforeseen emergency, the Loading Party shall notify the Shipping Party immediately.

(b) Extra Costs

In the event that regular port(s) of call are omitted, any transshipment and/or transfer incurred for cargo already loaded onboard a Vessel due to the dry docking of that Vessel shall be arranged by the Loading Party for its own account. However, if the Loading Party fails to make appropriate arrangements, the Shipping Party can arrange transshipment and/or transfer and the Loading Party shall pay actual extra transshipment and/or transfer costs for inbound laden containers.

It is also agreed by the parties that in such cases:

(i) The Loading Party shall be responsible for the transshipment and pre-carriage of the export cargo actually booked to the vessel in Far East ports and bear the extra costs accordingly. Otherwise, the Shipping Party's utilization in the

specific voyage shall be on used basis and the unused slots shall be compensated by the Loading Party in the following voyage or voyages.

(ii) The export cargo to Far East ports shall be rolled over automatically to the next vessel, in principle the next week, within the allocation of the Loading Party of the vessel omitting such port(s).

20. Omission of Port(s)

- (a) If the omission of a port(s) is necessary to maintain or recover a Vessel's schedule, the Loading Party shall propose the omission of such port(s) to the Shipping Party together with an analysis of the effects, problems and extra expenses expected to result from such omission.
- (b) In the event the omission of a port(s) is due to a force majeure event, including an act of God, act of war, civil commotion, strike, lockouts, restraint of princes or rulers, or port closure, any transshipment and/or transfer costs incurred by the Parties as a result of the omission shall be for each Party's individual account.

In the event the omission of a port(s) is due to a cause other than a force majeure event, which includes vessel's insufficient performance, any transshipment and/or transfer incurred for cargo already loaded onboard the Vessel omitting such port(s) shall be arranged by the Loading Party for its own account. However, if the Loading Party fails to make appropriate arrangement, the Shipping Party can arrange transshipment and/or transfer and the Loading Party shall pay actual extra transshipment and/or transfer costs for laden cargo transported across the Pacific Ocean. It is also agreed by the parties that in such cases:

(i) The Loading Party shall be responsible for the transshipment and pre-carriage of the export cargo actually booked to the vessel in Far East ports and bear the extra costs accordingly. Otherwise, the Shipping Party's utilization in the specific voyage shall be on used basis and the unused slots shall be compensated by the Loading Party in the following voyage or voyages.

(ii) The export cargo to Far East ports shall be rolled over automatically to the next vessel, in principle the next week, within the allocation of the Loading Party of the vessel omitting such port(s).

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Cross Slot Charter Agreement to be signed by their duly authorized officers or agents as of the date set forth opposite their signatures below.

CHINA SHIPPING CONTAINER
LINES CO., LTD.

12/10/04
Date

By:

Brett M. Esber
Name: Brett M. Esber
Title: Attorney-in-Fact

CHINA SHIPPING CONTAINER
LINES (HONG KONG) CO., LTD.

12/10/04
Date

By:

Brett M. Esber
Name: Brett M. Esber
Title: Attorney-in-Fact

CMA CGM, S.A.

12/10/04
Date

By:

Brett M. Esber
Name: Brett M. Esber
Title: Attorney-in-Fact